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1. SUMMARY: ON ANGUST 18, SEMAIGES LEARY, STAFFORD. TAND DASCHEE HET WITH CHINESE VICE FOREIGH MINISTER INGH MAN FOR SECUT ONE POUR. SENSION LEAFY STRESSED THAT U.S. CHINA POLICY MOVED REMAIN UNCHANGED CRICK THE HE RANG MAJORDO DESCRIPTION AND EXPRESSED CONCERN OVER THE PROLIFERATION OF MEAFONS STATEMS AFOUND THE MORLD. OTHER DISCUSSION TOPICS INCLUDED THE STITUATION IN CAMEODIA, THE KOREAN PENINSPLA, TIEET, HONG NONG, AND U.S INVESTMENT IN CHINA. END SUNMARY.

- 2. OH AUGUST 18, 1958 SCHATORS LEARY, STAFFORD, AND DASCHLE NET FOR AFPROXIMATELY ONE HOUR WITH CHINESE VICE FOREIGN MINISTER THOU HAN. ACCOMPANYING STAFF. AMBASSADER LORD, AND EMBASSY OFFICERS ALSO AFTENDED. ZHOU VELCOMED THE DELEGATION STATING THAT HE WAS GLAD TO MEET WITH THE SENATORS DESPITE A LAST MINUTE POSTPONEMENT OF UNKNOWN ORIGIN. ZHOU SAID THAT SINCE THE CODEL HAD ALREADY MET WITH THE MINISTRY OF FOREIGN ECONOMIC RELATIONS AND TPACE AND THE MINISTRY OF AGRICULTURE, HE WOULD HOT COVER THOSE AREAS AND INSTEAD SUGGESTED & FREE CHAI. SENATOR LEAHY THANKED VICE MINISTER ZHOU FOR TAKING TIME OUT FROM HIS BUSY SCHEDULE TO HEET EVEN BRIEFLY WITH THE DELEGATION. HE STRESSED THAT ALTHOUGH A NEW ADMINISTRATION WILL TAKE OFFICE IN DECEMBER, THERE WILL BE CONTINUITY IN CHINA POLICY, REGARDLESS WHICH PARTY CONDIDATE WINS. LEANY NOTED THAT CHINA POLICY HAS BI-PARTISAN SUPPORT IN THE SENATE.
- 3. SENATOR LEANY ALSO MENTIONED U.S. CONCERN OVER THE GLOBAL PROLIFERATION OF WEAPONS SYSTEMS. HE ACRNOYLEDGED THAT CHINA HAS ALREADY EXPRESSED ITS LOZITION, WITH HOLEQ . THAT THE SHEZENT DISTORE, MONTO. ... CONTINUE. LEANY THEN ASKED FOR THOU'S MINEYSIS OF THE STIVATION IN PARISTAN IN LIGHT OF THE SUDDEN DEATH OF PAKISTANI PRESIDENT ETA
- 4. ZHOU REPLIED THAT CHINESE GENERAL SECRETARY ZHAO ZIYANG, FOREIGH MINISTER GIAN OICHEN, AND VICE PREMIER ES BENG HAVE WELENDS STATED CHIMA, 2 BOLICA TO SECRETARA OF STATE SHULTE. HE SAID THAT EVERYORE IS WELL AWARE. WHICH COUNTRY RANKS FIRST IN THE WORLD IN ARMS SALES AND THAT CHINESE SALES CONTRISE DILLE & THILL HAPE HE WORLD ARMS SALES. ZHOU SAID THET IT EYERE WAS AN ARMS

BELLEN 24430 CO OF DE 1/105/41 SALES CLUB IN THE VORCO, CUTTIN MOUTH HOT LYEN WHAT IT AS & HENEER. HE HOTED that Chille has findl thengittes GOVERNING ARMS SALES AND CAREFULLY CONSIDERS ALL TRANSACTIONS," HC STATED THAT GRIDG HAS COLD ONLY A LIMITED NUMBER OF CONVENTIONAL NON-MICIEM DESIGN, WI THE REGUEST OF OTHER COUNTRIES FOR DEFENDING FOREGOES THOU THEN LISTED THE THREE PRINCIPLES: THE SERFORS MILE BE USED ONLY IN THE COUNTRY S DEFENCE, WILL MAINTAIN PEACE IN THE REGION, AND DO NOT INTERFERE IN Date. 127/43 THE COUNTRY'S INTERNAL AFFAIRS. HE SAID THAT AFTE SALES ARE A BILATERAL MATTER THAT GO NOT CONCERN ON CR KATTONS AND OTHER NATIONS SHOULD NOT INVOLVE THEMSELVES TR'BILATERAL RELATIONS BETVECH OTHER COUNTRIES

TS authority to sent the text of the to the top the text of the top the text of the text o CLOSE FRIEND OF BOIR CHIMA AND THE US AND THAT THE TAN MAS ONE OF CHINA S PRIENDLY RESCHOOLS HE ASSOCIATION OUT THAT I'M HAD HADE IMPORTANT CONTE-DETTON, et. ASSISTING THE AFGREN PEOPLE TO FIGHT SOURT OCCUPATION FROM PLOS CAR CHAIL TO TRAIN THE TAIL TO THE TAIL THE T SOMETHING TOUT OF THE ELUCY AND THAT THE FUR STAN GOYCENMENT HAC NOT RULED OUT THE POISTERLIST OF ASSESTRATION. PROSECUTED THE HOFE THAT A 2007 IN VOULD REPAIR STREET.

> 6. SENATOR LEADY EXPRESSED SIMILAR SHOCK AT FFEL PERT ZIA'S DEATH AND FORMIED OUT THAT THE AMERICAN ANBASSADOR TO PARTSTAN AND THE AMERICAN MILLITACE ATTACHE HAD ALSO DIED IN THE INCIDENT. THE SEN-TOP ROTED OUT THAT FIRST CONTACTS ELTWERN WILLIAMS IN AND BEIJING LEADING TO PRESIDENT HIXON S HISTORIC THIF 'S CHINA HAD BEER ARRANGED THROUGH FARISTAN.

7. SENATOR STAFFORD ASKED FOR VICE FOREIGN MIKISTEF ZHOU'S ANALYSIS OF THE SITUATION IN CAMEODIA AS VICTURE GRADUALLY WITHDRAWALS ITS TROOPS. ZHOU AFFIRMED THAT CHINA STANDS FOR A POLITICAL SETTLEMENT OF THE SITUATION IN CAMEODIA. HE NOTED THAT ALTHOUGH HAND! HAS CLAIMED THEY ARE WITHORAVING TROOPS, CHINA HAS NOT YET SEEN ANY STHEERE MOVES ON THEIR PART. CHINA BELIEVES THAT THE VIETNAMESE WITHDRAWAL IS BASED ON ESTABLISHING A GOVERNMENT IN PHHOM PERN WITH THE HELG SAMRIN-PUPPET SOVERNMENT AS THE MAIN FORCE - ZHOU SILD THAT ALTHOUGH SOME MAY BELIEVE THAT THE MAIN PROBLEM IS NOT THE VITROFAVAL OF VIETNAMESE TROOFS GUT THE RETERM OF THE KHHER ROUSE, THIS IN FACT IS WAT HANDI POINT LIKE OTHERS TO THINK. ZHOU SAID THAT AFFROACH WILL LEAD TO THE DANGER THAT ALTHOUGH VIETNAMESS TROOPS HAVE VITHORAVII, THE HENG SAMRIN GOVERNMENT WILL REMAIN IN POVER. ACCORD TO ZHOU, SUCH A DEVELOPMENT WOULD BE THE EQUIVALENT OF LEGALIZING THE VIETNAMESE INVASION OF CAMBODIA. . ZHOU STATED THAT CHINA'S POSITION IS CLEAR -- HEITHER THE KHHER ROUGE NOR THE PENG TAMETH GOVERNMENT SHOULD BE THE MAIN FORCE BUT BOTH PARTIE. SHOULD BE INCLUDED IN A NEW GOVERNMENT WITH PRINCE STHAHOUK AS THE PRIMARY ACTOR. THOU HOTED THAT GEHERAL SECRETARY ZHAO HAD REAFFIRMED CHINA'S POSITION IN HIT INTERVIEW WITH JAPANESE REPORTERS AT BEIDAINE JHER SAID WE HUST GUARD AGAINST TWO DANGERS, NOT JUST ONL

4 SENATOR DASCHLE ASKED ZHOU ABOUT THE SITUATION IN THE KOREAN PENINGULA, CHINA'S EXPECTATIONS FOR REUNIFICATION REGOTIATIONS, AND HIS VIEW OF THE UPCOMING DETMPIC GAMES. DASCREE EXPRESSED APPRECIATION FOR THE OPPORTUNITY TO VISIT TIBEL EXPLAINING THAT THE AMERICAN PEOPLE ARE VERY INTERESTED IN TIBET - DAILUTE ASKED THOU TO OUTLINE BRIEFLY THE CURRENT 1330ES IN TICET AND PROJECTIONS FOR THE NEXT COUPLE OF YEARS

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THOU PIFITO THAT CHINE DOUDD LIFE TO THE STABILITY ON THE PORTAN FLENTING A TO MENTAND STABILITY IN THE REGION HE TAND THAT THE REGION HE TAND THAT THE REGION OF A DEVICED KOREA.

BECAUSE IT IS VERY DIFFICULTING A DEVICED COUNTRY TO MAVE PEYCLE HO STABILITY. CHINE FAVORS THE FORMATION OF A PORTAN CONFIDERATION WHERE THE TWO STOES WOULD FORM A PUBLIC CONFIDERATION WHERE THE TWO STOES WOULD FORM A PUBLIC TO SEE CONTINUED SYSTEM. THOU SEND CHINE WOULD TIVE TO SEE CONTINUED POLICIES FIGURALIST, THE FIRMSULE. THOU FOINTED OUT THAT SHOULD HORTH PORTS IN THE TOWN ONE.

TO THE WICE LORGIUM HINT ISH 1-10 THAT CHINA VONED BE JEROTHU IN LARGE CELECATION TO THE TEOM COMMER OF WITCH, AND INCREMENT POLICE THAT THE GARDS MOULD FROCELD IN A FLOCELY ENVIRONMENT OF EXPLAINED THAT PRESIDENT NOT ALL-TONG MAD ALREADY PROHISED THAT HORTH NORTH VONES WITCH THE FEEL VITY THE GARDS AND BESTURG BELIEVED HIS LORGIUM HIS LORGIUM HIS LORGIUM HIS LORGIUM HIS LORGIUM HIS LORGIUM.

11 ZNOU STATED THAT THE ISSUE OF TIEET IS A CHINISE INTERNOL CHITER. HE EXPLAIND THAT THEET HAS BEEN AND THAT TENER HAS BEEN AND THAT TENER HAS BEEN AND THAT TENER FOR THE UNION DYNASTY WHEN CHIPA VALUE HAR. SOME FOREIGN COUNTRIES ATTEMPTED TO SEPAPATE THEET, BUT FAILED THOU SAID HE WOULD NOT HAME HAMES? HE STATED, HOWEVER, THAT DINESS INTERD TO DO THE TAME. IN DISCUSSING HUMAN RIGHTS, ZHOU FOINTED OUT HAS WHEN THEET VAS LIBERATED, SERFOOM WAS AND SOMETHIES SAINHED THEM ZHOU SAID THAT SOME BELIEVE THAT THEET SAINHED THEM ZHOU SAID THAT SOME BELIEVE THAT THEET SHOULD RETURN TO THE SITUATION BEFORE THE 1958'S--SEPFOOM. IS THAT COMPONINTY WITH HUMAN RIGHTS, HE ASKED.

12. ZHOU SAID THAT CHINA'S POSITION ON TIBET IS CLEAR AND THE CENTRAL GOVERNMENT HAS LIBERAL PELISIOUS AND NATIONALITIES POLICIES. SHOULD SOMEONE, FROM ANYWERE, TRY TO SEPARATE TIBET, CHINA WILL RESOLUTELY OPPOSE THEM.

13. "SENATOR LEANY FOLLOWED UP EYFRESSING UNDERSTANDING FOR CHINA"S POSITION AND ACKNOWLEDGED THAT CHINA BELIEVES OTHER MATIGNS SHOULD MIND THEIR OWN BUSINESS.

CHINA, NOWEVER, HE SAID, MUST BE CONCERNED WITH HUMAN RIGHTS MATIONVIDE—PELIJING, SHAMGHAI, AND TIBET. THE SENATOR STATED THAT THE DELEGATION DID HOT CORE TO TELL CHINA WHAT JO DO. IN FACT, THE DELEGATION WAS INVITED BY THE CHINESE GOVERNMENT TO VISIT TIBET ANDROM MANY OTHER PLACES. LEANY EXPRESSED THE MOPE THAT THEY WOULD HAVE AS MUCH ACCESS AND OFFORTUNITY TO MOVE AROUND TIBET AND SEE AS MUCH AS POSSIBLE.

14. LEARY FORMED OUT THAT THE DELEGATION WOULD BE LEAVING CHINA FOR HONG KONG. HE ASHED ZHOU TO PREDICT WHAT HONG KONG WILL BET LIKE IS YEARS FROM HOW.

IS CONCLUDING THE DISCUSSION ON FIBET, 2007 SAID THAT THE DELEGATION WAS VELCOME TO VISIT TIBET AND TRAVEL AS FREELY AS THEY DESIRED. HE QUOTED A CHINESE SAYING THAT SEEING SOMETHING ONCE IS BETTER THAN HEARTHG ABOUT IT A MUNDRED TIMES. 2000 ASKED THAT THE DELEGATION LOOK AT FIBET OBJECTIVELY AND SAID THAT CHINA COULD NOT TOLERATE IS SEPARATIST ACTIVITIES. ZHOU POINTED OUT THAT THE DATA! CHANA 15 A RELIGIOUS AND POLITICAL FIGURE ENGAGING IN POLITICAL ACTIVITIES ALROAD. THE FR'AT LAMA PROVIDES A FORUM FOR PROPAGNOF ACTIVIST SHINA,

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17 Min-tof Clans notes that it was th Cathairn RONG S ADS-HEART TO MAINTHAN HONG FORE I TAKENTAL STRUMPTON THOS MENT-ONEO THAT OF CAPITAL BOS C. F. PROFILED COLLEGE OF HONE WORLD COLLEGE OF THE THERE WILL BE POST OF THELTHERS IN CHIMA CELLS RESPONDED THAT AMERICAN INVESTIGAS MANY BE COME CON-THEF RULES WOULD NOT CHANGE AND THAT OLD THE DEFINE FORMS OF COMPREMENT COMES NORM TOSETHER IN LARGE COMPREMENT OF CHARLES AND AMERICAN WART OF EUSEMEST WERE OUTE STREETS IN COULD LEAFT FROM EACH OTHER . THE DENATOR EMPLOYED THAT IT WER MOST IMPOFFANT TO HAVE A SERVE OF continuely start plant mode tooks must be good assign to, on 30 cents from how cleans resterated the strains FEELING OF BEPARTISAN SUPPORT FOR CHINA POLICY IN THE US. HE SAID THAT HE HAD DISCUSSED HIS PLANNED TRIF TO CHINA WITH COVERNOR DUNASIES. SENATOR STAFFORD POINTED OUT THAT EUSK ALSO SUPPORTED PRESENT CHINA POLICY. SENATOR LEAMY THEY ASKED VICE FOREIGN MINISTER 240 IF KE HED ANY QUESTIONS FOR THE DELEGATION.

18. THOU SAID HE WOULD LIVE & PREDICTION ON UND WILL VIR THE PRESIDENTIAL ELECTION IN HOVENEER BUT HOTED THAT STREE BOTH PARTIES WERE REPRESENTED IN THE DELEGATION HE COULD GUESS AT THE ANSWER. SEMATOF LEASY STATED THAT IN ALL HORESTY IT WOULD BE A VERY CLOSE PACE, NOT LINE THE PEAGAN-MONDALE CONTEST OF 1964, 400 IT WOULD BE DIFFICULT AT THIS POINT TO PREDICT A WIRHER. REGARDING CONTINUITY IN CHINA, ZHOU SAID THAT CHIHA IS CONFIDENT THAT POLICIES WILL HOT CHANGE -- THE ! COULD GUARANTEE CONTINUITY. ZHOU FOIRTED OUT THAT DURING THE PECENT SOVIET PARTY CONGRESS GENERAL SECRETARTY GGREACHER COULD NOT DAY THAT SOVIET REFCRIS VERE IRREVERSIBLE. CHINA, HOVEYER, COULD SAY ITS POLICIES ARE IRREVERSIBLE AND WILL NEVER RETREAT : ZHOU SAID THAT CHINA MOULD GRADUALLY IMPROVE THE INVESTMENT EMPERONMENT FOR FOREIGN CAPITALISTS, STARTING IN THE COASTAL PEGIONS

19 AMEASSADOR LORD ASKED VICE FOREIGH MINISTER (ACFORMED THE CHINESE REACTION TO THE RECENT KHMER ROUSE PROPOSAL ON CAMBODIA. THOU RESPONDED THAT HE HAD NET FET THAT THE NET STATEMENT WAS MORE FLETIBLE. HE STATED THAT CHINA STATEMENT WAS CHEAR-CUT AND SUGGESTED THE AMBASSADOR LOOK AT CHIRAL SCERETART THAD LIYANG'S COMENTS TO JAPANESE REPORTERS AT BEIDAINE, REGARDING CAMBODIA

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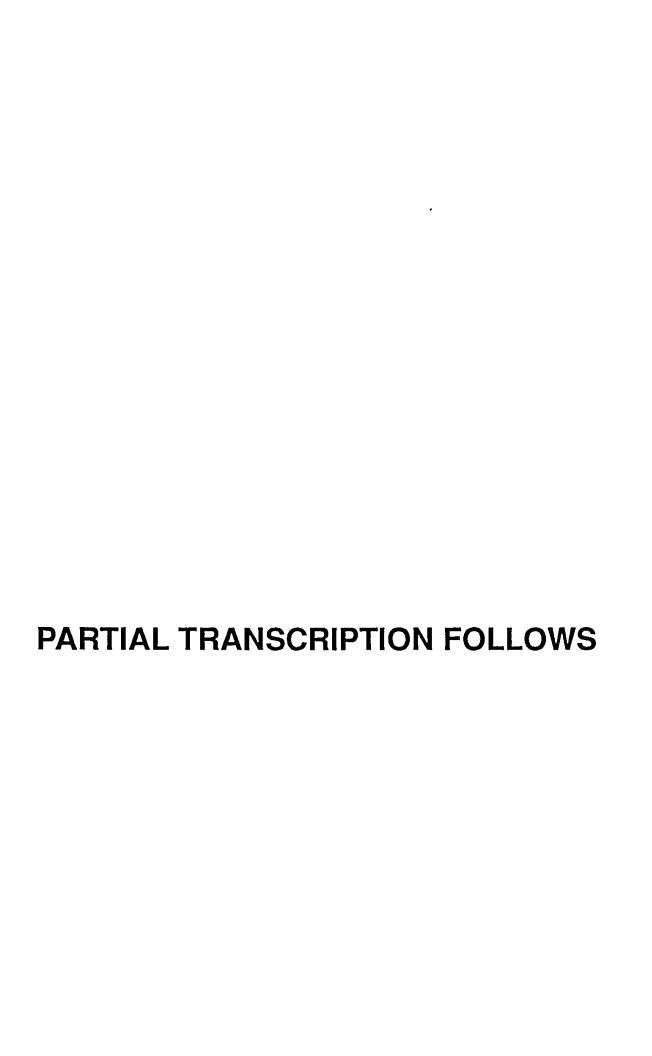
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TI. STRATUR LEAR CLOSED THE MEETING NOTING THAT THERE HAVE BEEN MADE CHANGES IN THE SOVIET UNION, SIEM DIRRING PRESIDENT ACADE MADE LEAFIND A LOT ON THIS THIRD THE TO CHINA AND MOREU TO HAVE THE OFFICIALITY TO COME 8-CK 2400 WEICOMED THE DELIGIBLE. TORD

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- 4. ZHOU REPLIED THAT CHINESE GENERAL SECRETARY ZHAO ZIYANG, FOREIGN MINISTER QIAN QUICHEN AND VICE PREMIER LI PENG HAVE ALREADY STATED THAT CHINA'S POLICY TO SECRETARY OF STATE SHULTZ. HE SAID THAT EVERYONE IS WELL AWARE WHICH COUNTRY RANKS FIRST IN THE WORLD IN SRMS SALES AND THAT CHINESE SALES COMPRISE ONLY A SMALL PART OF WORLD ARMS SALES. ZHOU SAID THAT IF THERE WAS AN ARMS SALES CLUB IN THE WORLD, CHINA WOULD NOT EVER QUALIFY AS A MEMBER. HE NOTED THAT CHINA HAS THREE [ILLEG] GOVERNING ARMS SALES AND CAREFULLY CONSIDERS ALL TRANSACTIONS. HE STATED THAT CHINA HAS SOLD ONLY A LIMITED NUMBER OF CONVENTIONAL, NON-NUCLEAR WEAPONS AT THE REQUEST OF OTHER COUNTRIES FOR DEFENSE PURPOSES. ZHOU THEN LISTED THE THREE PRINCIPLES: THE WEAPONS WILL BE USED ONLY IN THE COUNTRY'S DEFENSE. WILL MAINTAIN PECE IN THE REGION, AND DO NOT INTERFERE IN THE COUNTRY'S INTERNAL AFFAIRS HE SAID THAT ARMS SALES ARE A BILATERAL MATTER THAT DO NOT CONCERN OTHER NATIONS AND OTHER NATIONS SHOULD NOT INVOLVE THEMSELVES IN BILATERAL RELATIONS BETWEEN OTHER COUNTRIES.
- 5. RESPONDING TO SENATOR LEAHY'S QUESTION ON PAKISTAN VICE MINISTER ZHOU SAID THAT CHINA WAS SHOCKED AT THE NEWS OF HIS DEATH. HE NOTED THAT PRESIDENT ZIA WAS A CLOSE FRIEND OF BOTH CHINA AND THE US AND THAT PAKISTAN WAS ONE OF CHINA'S FRIENDLY NEIGHBORS. HE ALSO POINTED OUT THAT ZIA HAD MADE IMPORTANT CONTRIBUTIONS IN ASSISTING THE AFGHAN PEOPLE TO FIGHT SOVIET OCCUPATION. ZHOU ALSO SAID THAT ZIA'S DEATH WAS SOMETHING OUT OF THE BLUE AND THAT THE PAKISTANI GOVERNMENT HAD NOT RULED OUT THE POSSIBLITY OF ASSASSINATION. ZHOU EXPRESSED THE HOPE THAT PAKISTAN WOULD REMAIN STABLE.
- 6. SENATOR LEAHY EXPRESSED SIMILAR SHOCK AT PRESIDENT ZIA'S DEATH AND POINTED OUT THAT THE AMERICAN AMBASSADOR TO PAKISTAN AND THE AMERICAN MILITARY ATTACHE HAD ALSO DIED IN THE INCIDENT. THE SENATOR NOTED OUT THAT FIRST CONTACTS BETWEEN WASHINGTON AND BEIJING LEADING TO PRESIDENT NIXON'S HISTORIC TRIP TO CHINA HAD BEEN ARRANGED THROUGH PAKISTAN.
- 7. SENATOR STAFFORD ASKED FOR VICE FOREIGN MINISTER ZHOU'S ANALYSIS OF THE SITUATION IN CAMBODIA AS VIETNAM GRADUALLY WITHDRAWLS ITS TROOPS. ZHOU AFFIRMED THAT CHINA STANDS FOR A POLITICAL SETTLEMENT OF THE SITUATION IN CAMBODIA. HE NOTED THAT ALTHOUGH [ILLEG] HAS CLAIMED THEY ARE WITHDRAWING TROOPS. CHINA HAS NOT YET SEEN ANY SINCERE MOVES ON THEIR PART. CHINA BELIEVES THAT THE VIETNAMESE WITHDRAWAL IS BASED ON ESTABLISHING A PHENOM PENN WITH THE HEAD SAMRIN-PUPPET GOVERNMENT AS THE MAIN FORCE. ZHOU SAID THAT ALTHOUGH SOME MAY BELIEVE THAT THE MAIN PROBLEM IS NOT THE WITHDRAWL OF VIETNAMESE TROOPS BUT THE RETURN OF THE KHMER ROUGE, THIS IN FACT IS WHAT HANOI WOULD LIKE OTHERS TO THINK. ZHOU SAID THAT APPROACH WILL LEAD TO THE DANGER THAT ALTHOUGH VIETNAMESE TROOPS HAVE WITHDRAWN, THE HENG SAMRIN GOVERNMENT WILL REMAIN IN POWER. ACCORD TO ZHOU, SUCH A DEVELOPMENT WOULD BE THE EQUIVALENT OF LEGALIZING THE VIETNAMESE INVASION OF CAMBODIA. ZHOU STATED THAT CHINA'S POSITION IS CLEAR - - NEITHER THE KHMER ROUG NOR THE HENG SAMRIN GOVERNMENT SHOULD BE THE MAIN FORCE BUT BOTH PARTIES SHOULD BE INCLUDED IN A NEW GOVERNMENT WITH FRINGE SIHANOUK AS THE PRIMARY ACTOR. ZHOU NOTED THAT GENERAL SECRETARY ZHAO HAD REAFFIRMED CHINA'S POSITION IN HIS INTERVIEW WITH JAPANESE REPORTERS AT BEIDAIHE. ZHOU SAID WE MUST GUARD AGAINST TWO DANGERS, NOT JUST ONE
- 8. SENATOR DASCHUE ASKED ZHOU ABOUT THE SITUATION IN ON THE KOREAN PENINSULA, CHINA'S EXPECTATIONS FOR REUNIFICATION NEGOTIATIONS, AND HIS VIEW OF THE UPCOMING OLYMPIC GAMES. DASCHUE EXPRESSED APPRECIATION FOR THE OPPORTUNITY TO VISIT TIBET EXPLAINING THAT THE AMERICAN PEOPLE ARE VERY INTERESTED IN TIBET. DASCHUEASKED ZHOUO TO OUTLINE BRIEFLY THE CURRENT ISSUES IN TIBET AND PROJECTIONS FOR THE NEXT COUPLE OF YEARS

- 9. ZHOU REPLIED THAT CHINA WOULD LIKE TO SEE STABILITY ON THE KOREAN PENINSULA TO MAINTAIN STABILITY IN THE REGION. HE SAID THAT THE [ILLEG] TO MAINTAINING SUSTAINED STABILITY LIES IN THE QUESTION OF A DIVIDED KOREA. BECAUSE IT IS VERY DIFFICULT FOR A DIVIDED COUNTRY TO HAVE PEACE AND STABILITY, CHINA FAVORS THE FORMATION OF A KOREAN CONFEDERATION WHERE THE TWO SIDES WOULD FORM A UNITED COUNTRY BUT EACH WOULD KEEP THEIR OWN SOCIAL SYSTEM. ZHOU SAID CHINA WOULD LIKE TO SEE CONTINUED APPROACHES BY THE NORTH AND SOUTH AND FLEXIBLE US POLICIES REGARDING THE PENINSULA. ZHOU POINTED OUT THAT SHOULD NORTH KOREA FEEL MORE ISOLATED, THIS WOULD NOT BE GOOD FOR ANYONE.
- 10. THE VICE FOREIGN MINISTER SAID THAT CHINA WOULD BE SENDING A LARGE DELEGATION TO THE SEOUL SUMMER OLYMPICS AND THEREFORE HOPED THAT THE GAMES WOULD PROCEED IN A PEACEFUL ENVIRONMENT. HE EXPLAINED THAT PRESIDENT [ILLEG] HAD ALREADY PROMISED THAT NORTH KOREA WOULD NOT INTERFERE WITH THE GAMES AND BEIJING BELIEVED HIS WORD.
- 11. ZHOU STATED THAT THE ISSUE OF TIBET IS A CHINESE INTERNAL MATTER. HE EXPLAINED THAT TIBET HAS BEEN AN [ILLEG] PART OF CHINA SINCE THE YUAN DYNASTY SOME 700 YEARS AGO. TOWARDS THE END OF THE OING DYNASTY WHEN CHINA WAS WEAK. SOME FOREIGN COUNTRIES ATTEMPTED TO SEPARATE TIBET, BUT FAILED. ZHOU SAID HE WOULD NOT NAME NAMES. HE STATED, HOWEVER, THAT OTHERS INTEND TO DO THE SAME. IN DISCUSSING HUMAN RIGHTS. ZHOU POINTED OUT THAT WHEN TIBET WAS LIBERATED, SERFDOM WAS PRACTICED. SERF-OWNERS TREATED THEIR SERFS INHUMANELY AND SOMETIMES SKINNED THEM. AHOU SAID THAT SOME BELIEVE THAT TIBET SHOULD RETURN TO THE SITUATION BEFORE THE 1950'S--SERFDOM. IS THAT CONFORMITY WITH HUMAN RIGHTS, HE ASKED.

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CALLING FOR A BUFFER STATED BETWEEN CHINA AND [ILLEG] THIS IS UNACCEPTABLE.

- 16. ON HONG KONG. ZHOU SAID THAT THE CAPITALISM SYSTEM AND LIFESTYLE WILL REMAIN UNCHANGED AND HE BELIEVED THAT HONG KONG WOULD BE EVEN MORE PROSPEROUS THAN TODAY. HE SAID THAT HONG KONG WILL STILL KEEP ITS POSITION AS AN INTERNATIONAL FINANCIAL AND TRADE CENTER AND MAY EVEN BE MORE IMPORTANT THAN TODAY. HE [ILLEG] THAT THISDEVELOPMENT WAS IN CHINA'S BEST INTEREST AND ITS BRITISH FRIENDS WERE WORKING TO ENSURE SUCH PROSPERITY. ZHOU POINTED OUT THAT CHINA WAS ALSO WORKING TO ESTABLISH SMALL HONG KONG ON THE MAINLAND. THEREFORE, HE ARGUED, THERE WAS NO REASON FOR CHINA TO CHANGE THE PRESENT SITUATION IN HONG KONG. AFTER [ILLEG] YEARS HONG KONG WILL BE CLOSE TO CHINA IN MANY RESPECTS.
- 17. SENATOR LEAHY NOTED THAT IT WAS IN CHINA AND HONG KONG'S ADVANTAGE TO MAINTAIN HONG KONG'S PRESENT SITUATION. ZHOU MENTIONED THAT US [2 WORDS ILLEG] IMPORTANT [ILLEG] IN HONG KONG AND EXPRESSED HOW THERE WILL BE MORE US INVOLVEMENT IN CHINA. LEAHY RESPONDED THAT AMERICAN INVESTORS MUST BE [ILLEG] THAT RULES WOULD NOT CHANGE AND THAT OUR TWO DIFFERENT FORMS OF GOVERNMENT COULD WORK TOGETHER IN AREAS OF AGRICULTURE, JOINT VENTURES, AIRLINES, ETC. CHINESE AND AMERICAN WAYS OF BUSINESS WERE QUITE DIFFERENT AND COULD LEARN FROM EACH OTHER. THE SENATOR EXPLAINED THAT IT WAS MOST IMPORTANT TO HAVE A SENSE OF CONTINUITY. THAT PLANS MADE TODAY MUST BE GOOD FOR 20 OR 30 YEARS FROM NOW. LEAHY REITERATED THE [ILLEG] FEELING OF BIPARTISAN SUPPORT FOR CHINA POLICY IN THE US. HE SAID THAT HE HAD DISCUSSED HIS PLANNED TRIP TO CHINA WITH GOVERNOR DUKAKIS. SENATOR STAFFORD POINTED OUT THAT BUSH ALSO SUPPORTED PRESENT CHINA POLICY. SENATOR LEAHY THEN ASKED VICE FOREIGN MINISTER ZHOU IF HE HAD ANY QUESTIONS FOR THE DELEGATION.
- 18. ZHOU SAID HE WOULD LIKE A PREDICTION ON WHO WILL WIN THE PRESIDENTIAL ELECTION IN NOVEMBER BUT NOTES THAT SINCE BOTH PARTIES WERE REPRESENTED IN THE DELEGATION HE COULD GUESS AT THE ANSWER. SENATOR LEAHY STATED THAT IN ALL HONESTY IT WOULD BE A VERY CLOSE RACE, NOT LIKE THE REAGAN-MONDALE CONTEST OF 1984, AND IT WOULD BE DIFFICULT AT THIS POINT TO PREDICT A WINNER. REGARDING CONTINUITY IN CHINA, ZHOU SAID THAT CHINA IS CONFIDENT THAT POLICIES WILL NOT CHANGE

- -- THEY COULD GUARANTEE CONTINUITY. ZHOU POINTED OUT THAT DURING THE RECENT SOVIET PARTY CONGRESS GENERAL SECRETARY GORBACHEV COULD NOT SAY THAT SOVIET REFORMS WERE IRREVERSIBLE. CHINA, HOWEVER, COUD SAY ITS POLICIES ARE IRREVERSIBLE AND WILL NEVER RETREAT. ZHOU SAID THAT CHINA WOULD GRADUALLY IMPROVE THE INVESTMENT ENVIRONMENT FOR FOREIGN CAPITALISTS, STARTING IN THE COASTAL REGIONS.
- 19. AMBASSADOR LORD ASKED VICE FOREIGN MINISTER ZHOU FOR THE CHINESE REACTION TO THE RECENT KHMER ROUSE PROPOSAL ON CAMBODIA. ZHOU RESPONDED THAT HE HAD NOT YET READ THE PROPOSAL IN DETAIL BUT FELT THAT THE NEW STATEMENT WAS MORE FLEXIBLE. HE STATED THAT CHINA'S POSITION WAS CLEAR-CUT AND SUGGESTED THE AMBASSADOR LOOK AT GENERAL SECRETARY ZHAO ZIYANG'S COMMENTS TO JAPANESE REPORTERS AT BEIDAIHE, REGARDING CAMBODIA.
- 20. AMBASSADOR LORD ALSO ASKED ABOUT THE UPCOMING SINO-SOVIET VICE FOREIGN MINISTERS' WORKING MEETING ON CAMBODIA. ZHOU SAID THE OUTCOME OF THE TALKS DEPENDS ON WHAT THE SOVIETS HAVE TO SAY.
- 21. SENATOR LEAHY CLOSED THE MEETING NOTING THAT THERE HAVE BEEN MANY CHANGES IN THE SOVIET UNION SEEN DURING PRESIDENT REAGAN'S RECENT VISIT THERE. HE SAID THAT HE HAD LEARNED A LOT ON THIS THIRD TRIP TO CHINA AND HOPED TO HAVE THE OPPORTUNITY TO COME BACK. ZHOU WELCOMED THE DELEGATION TO RETURN AS OFTEN AS POSSIBLE. LORD